

REMARKS

The Applicant thanks the examiner for providing a close review of the application, and for the remarks in the Office Action.

Claims 11-19 and 22-24 are currently pending. Claims 14-16 have been withdrawn. Claims 11-13, 17-19 and 22-24 stand rejected. The independent claims of the rejected claims have each been amended. Support for the amendment is found throughout the application, including in paragraphs 17-26 of the application. Thus, no new matter has been added by the amendments. Applicant submits that the pending claims, as currently amended, clearly distinguish the prior art, and are therefore allowable.

We now address each rejection in turn.

Rejection under 35 U.S.C. § 102(e) Based On Walker et al.

The Examiner has rejected claims 11-13, 17 and 22-24 as anticipated by Walker (U.S. Patent 6,418,415). Claims 11, 17, 22, and 24 are the independent claims of the group, and each recites operation of certain process steps in an electronic procurement system. Walker, in contrast, discusses a "central controller" between buyers and sellers. This central controller contains information on both the buyers and sellers, and serves as a central marketplace or clearinghouse for goods and services. *See, e.g.*, Walker '415 Patent, at Fig. 2; col. 8, line 32 to col. 9, line 41. In fact, the Walker patent disclosure distinguishes its centralized system for serving individual consumers from systems, like electronic procurement systems, operated by organizations. *See id.*, col. 1, lines 36-65. Thus, the Walker patent, assigned to "priceline.com," appears to describe the priceline.com reverse-auction model of e-commerce that uses a single central web site to connect buyers and sellers of goods. This system is very different, as Walker himself pointed out, from systems operated as electronic procurement systems. For example, an electronic procurement system may be used internally by an organization to aggregate its own demand, and thus may allow much more flexibility in aggregating the demand. For instance, as the present application indicates, demand may be aggregated based on the shipping address

(e.g., orders from a certain location within an organization may have orders aggregated). *See*, e.g., Application at paragraphs 26-28. In addition, the organization may leave open certain demand periods and allow for manual additions. *Id.* at paragraphs 41-44. Walker neither discloses nor fairly suggests such capabilities, and the "central controller" arrangement, as described in the Walker patent, runs absolutely counter to such capabilities that are made possible using an electronic procurement system.

For these reasons, the Applicant respectfully suggests that claims 11-13, 17, and 22-24 are in condition for immediate allowance.

Rejection under 35 U.S.C. § 103 Based On Walker et al. in view of Official Notice

The Examiner has rejected claims 18-19 as obvious over Walker et al. in view of Official Notice. As an initial matter, the Office Action provides no factual basis for the "Official Notice," and is therefore flawed. Also, the In re Venner decision on which the Office Action relies states at most that simply automating an old process to reach the same result is not inventive. There is no analogy here, however, because the examiner has not shown a corresponding automatic *or* manual operation in Walker et al. Instead, the Office Action has attempted improperly to use In re Venner to avoid showing a required motivation to combine or modify Walker in a manner that would achieve the claimed invention. Also, the claims as amended recite an electronic procurement system, which is not disclosed or even suggested in any of the prior art, as Applicant points out above.

For these reasons also, claims 18 and 19 are patentable, and the Applicant requests their immediate allowance.

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US



Applicants enclose an Associate Power of Attorney and a Petition for Two Month Extension of Time, including a check in the amount of \$420. Please apply any charges or credits to deposit account 06-1050.

Date: 5-3-04

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read "John A. Dragseth".

John A. Dragseth
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